

BYLAWS

THE NEW JERSEY DEVELOPMENT AUTHORITY FOR SMALL BUSINESSES, MINORITIES' AND WOMEN'S ENTERPRISE

ARTICLE I

THE AUTHORITY

Section 1.1. Scope and Provisions of Bylaws. These bylaws are adopted pursuant to NJSA 34:1B-50(a) of the enabling act for the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises (the "Authority"). They are intended to govern the affairs and conduct of business of the Authority under its enabling act, Public Law 1985, Chapter 386, effective December 18, 1985, as amended and supplemented (the "Act").

Section 1.2. Principal Office. The principal office of the Authority shall be 36 West State Street, PO Box 990, Trenton, New Jersey 08625. All communications to the Authority should be addressed to its principal office, except as may be otherwise specified. The Authority may also have offices at such other places as it may from time to time designate.

Section 1.3. Fiscal Year. The fiscal year of the Authority shall begin on the first day of January in each calendar year and shall end at the close of business on the thirty first day of December in the same calendar year.

ARTICLE II

MEETINGS

Section 2.1. Annual Meeting. The annual meeting of the Authority shall be held at the principal office of the Authority in December of each calendar year or at such other time in each calendar year as the Chairperson of the Board of Directors may designate in accordance with the notice provisions hereinafter provided. At such meeting, the Authority shall elect a Vice Chairperson, a Treasurer, a Secretary and such other officers as the Directors may determine, and shall transact such other business as may properly come before the meeting, including, without limitation, the adoption of the annual notice of meetings required by the Open Public Meetings Act.

Section 2.2. Regular Meetings. Regular meetings of the Authority shall be held at such times and places as may be determined by resolution of the Directors in accordance with the provisions of the Open Public Meetings Act.

Section 2.3. Special Meetings. Special meetings of the Authority may be called at any time by the Chairperson and must be called by the Chairperson upon receipt of the request of three other Directors. Such meetings shall be scheduled in conformity with the provisions of the Open Public Meetings Act. Notice of such meetings shall be in writing and shall be given personally or by mailing notice to each Director of the Authority at the Director's address as it appears on the books or records of the Authority, unless the Director shall have filed a written request with the Secretary of the Authority that notices intended for the Director shall be mailed to the address designated in such request. Notice of such meeting shall be given no less than forty-eight (48) hours prior to the date of such meeting, and shall specify the time, place and purpose or purposes of the meeting. At such meetings, any and all matters may be considered and voted upon by a quorum of the Directors of the Authority.

Section 2.4. Emergency Meetings. Emergency meetings may be called by the Chairperson at any time in accordance with the Open Public Meetings Act.

Section 2.5. Roberts Rules. All meetings of the Authority shall be conducted in a manner consistent with Roberts Rules of Orders.

Section 2.6. Quorum and Voting. At any meeting of the Authority, a majority of the Directors shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Authority. Action may be taken by the affirmative vote of a majority of the quorum. A majority of the Directors present at any meeting may adjourn the meeting to another time and place.

Section 2.7. Telephonic Attendance of Meetings. Consistent with and subject to the requirements of the Open Public Meetings Act, any member and, in the case of any ex officio member, his or her designee, may, in lieu of personal attendance, attend any annual, regular, special or emergency meeting telephonically. Such member or designee shall be counted for quorum purposes and shall be entitled to move, second, discuss and/or vote on any matter coming before the members at such meeting as fully and to the same extent as if he or she were physically present at said meeting.

Section 2.8. Executive Sessions. At any regular or special meeting of the Authority, the Directors may, in accordance with the Open Public Meetings Act, close its session to the public.

Section 2.9. Minutes. Minutes of all meetings, including executive sessions, shall be kept and shall set forth the time and place of the meeting, the Directors present, the subjects considered, the actions taken, the vote of each Director and any other information required by law to be shown in the minutes. The minutes shall be promptly made available to the public, to the extent that making such matters public shall not be inconsistent with the holding of executive sessions.

A true copy of the minutes of every meeting of the Authority shall be forthwith delivered by and under the certification of the Secretary thereof to the Governor. No action taken at a meeting shall have force or effect until 10 days (Saturdays, Sundays and public holidays excepted) after a copy of the minutes shall have been so delivered, unless within that period the Governor shall approve the same, in which case such action shall become effective upon such approval. If, within the 10-day period, the Governor returns the copy of the minutes with a veto of any action taken by the Authority or by any Director thereof at the meeting, that action shall be null and void and of no effect.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1. Board of Directors. The Board of Directors of the Authority shall consist of ten members who shall be selected and hold office as more fully provided in the Act. Six members shall be appointed to serve by the Governor with the advice and consent of the Senate. The Chief Executive Officer of the New Jersey Commerce and Economic Growth Commission, the State Treasurer and the Executive Director of the New Jersey Economic Development Authority, or their designees, shall be members ex officio. Additionally, the Governor shall appoint a non-voting member who represents the casino industry.

Section 3.2. Oath. Before entering upon his or her duties, each Director appointed by the Governor shall take and sign an oath to perform the duties of the office faithfully, impartially and justly to the best of his or her ability. A record of each oath shall be filed with the Secretary of State.

Section 3.3. Delegation by Ex Officio Director. Each ex officio Director may designate an officer or employee of his or her State agency to represent him or her at Authority meetings, and each such designee may vote and otherwise act on behalf of the Director so designating him or her. The designation shall be in writing, shall be recorded by the Secretary of the Authority, and shall continue in effect until revoked or amended in the same manner.

Section 3.4 Compensation. Directors shall serve without compensation, but the Authority shall reimburse them for actual expenses incurred in the discharge of their duties.

ARTICLE IV

OFFICERS

Section 4.1. Officers. The officers of the Authority shall be the Chairperson, as designated by the Governor, the Vice-Chairperson, the Secretary, the Treasurer and such other officers as may from time to time be elected by the Board of Directors.

Section 4.2. Election. The officers of the Authority, with the exception of the Chairperson, shall be elected for a term of one year by the Board of Directors at each annual meeting of the Authority, and shall serve for said term and until their successors shall have been duly elected, except as Section 3 of this Article provides otherwise for filling vacancies. The Vice Chairperson shall be elected from among those Directors appointed by the Governor. The same person may be elected to serve both as the Treasurer and the Secretary.

Section 4.3. Vacancies. If any office of the Authority, except offices held in an ex officio capacity, becomes vacant by death, resignation, removal or any other cause, or in the event additional offices are created by the Authority, the Directors may at a meeting elect an officer to fill such vacancy or additional office, and the officer so elected shall serve until the next annual meeting of the Authority and until the election of his or her successor, until such office is abolished, or in the case of the Chairperson, until the Governor appoints a new Chairperson.

Section 4.4. The Chairperson The Chairperson shall preside at all meetings of the Authority and rule on all questions of order, subject to appeal to the Directors. The Chairperson shall: (a) submit such recommendations considered proper concerning the business, duties and affairs of the Authority; (b) have such other powers and perform such other duties as the Authority may prescribe from time to time by resolution; (c) be an ex officio member of all committees of the Authority; (d) have the power to create all Authority committees, with the exception of the Authority's standing committees on Policy and Loan Review and (e) have the power to appoint all members to committees of the Authority.

Section 4.5. The Vice Chairperson. The Vice Chairperson shall preside over all meetings in the absence or disability of the Chairperson and shall perform the duties of the Chairperson in the event the office of Chairperson is vacant or in the event the Chairperson is unable to perform such duties by reason of illness, disability or absence. The Vice Chairperson shall have such other powers and perform such other duties as the Authority may prescribe from time to time by resolution.

Section 4.6 The Secretary. The Secretary shall act as clerk of all meetings of the Authority, provide for recording all of the proceedings of the meetings of the Authority and keep and preserve such records. The Secretary shall attend to the giving of notices of the Authority and shall have charge of such books, documents and papers as the Authority may determine. The Secretary shall in general perform all the duties incident to the Office of Secretary, subject to the control of the Authority, and shall have such other powers and perform such other duties as the Authority may prescribe from time to time by resolution. The Secretary shall deliver forthwith a true copy of the minutes of every meeting of the Authority

by and under his or her certification to the Governor. The Secretary shall also keep a record containing the names, alphabetically arranged, of all Directors of the Authority or duly appointed designees of Directors, showing their places of business and places of residence and dates of membership or dates of designation or termination. If the Secretary shall be elected from among the ex officio Directors, he or she may delegate all or part of his or her duties to one or more persons.

Section 4.7. The Treasurer. The Treasurer shall have such powers and perform such duties as the Authority may prescribe from time to time by resolution. If the Treasurer shall be elected from among the ex officio Directors, he or she may delegate all or part of the duties of Treasurer to one or more persons.

Section 4.8. Removal of Officers. Any officer or agent of the Authority, other than the Chairperson, may be removed by an affirmative vote of a majority of the quorum of the Authority whenever in its judgment the best interest of the Authority will be served thereby. The removal of a Director of the Authority from an office thereof shall in no way constitute such person's removal as a Director of the Authority.

Section 4.9. Surety Bonds. Any Director, agent or employee of the Authority who may be authorized to sign negotiable instruments or contracts shall be covered by a surety bond, provided that this requirement shall not be applicable to persons already covered by bonds of other State departments or instrumentalities. Such bond shall be secured from a corporate surety authorized to transact business in the State of New Jersey as a surety. Each bond shall be submitted to the Attorney General for approval and shall be filed with the Secretary of State. The costs of such bonds shall be borne by the Authority.

Section 4.10. Compensation. Officers, other than those officers who are also Directors, may be paid compensation for their duties in an amount fixed by the Board of Directors.

ARTICLE V

Section 5.1. Professional Services. The Board of Directors may contract for professional services required for the efficient and effective operation of the Authority. Professional services as used in this section may include, but are not limited to, auditors, engineering and appraisal services, financial and credit reporting services, and architectural services.

Section 5.2. Personnel. The Authority may from time to time employ such additional personnel and staff as it may deem necessary to exercise its powers, duties and functions as prescribed by law, and the Board of Directors shall fix their compensation.

Section 5.3. Executive Director. There shall be an Executive Director of the Authority who shall be the Chief Executive Officer of the Authority and be responsible for the daily operations of the Authority. The Executive Director shall be appointed in the manner provided by law and shall serve at the will of the Authority. In the event the position of Executive Director becomes vacant by death, resignation, removal or any other cause, the Chairperson of the Authority, with approval from the Board of Directors of the Authority, shall appoint an Acting Executive Director. The Acting Executive Director shall serve until such time as may be required to appoint an Executive Director in the manner provided by law.

ARTICLE VI

CODE OF ETHICS

Section 6.1. Purpose. To state the Code of Ethics for the Authority, specifying standards of conduct for employees and members to ensure the propriety of their actions as public officials.

Section 6.2. Definitions.

"Employee" shall mean any person employed by the Authority.

"Member" shall mean any of the three ex officio representatives, six representatives appointed by the Governor with the advice and consent of the Senate, one non-voting casino representative appointed by the Governor, and any other individuals officially designated to lawfully vote on Authority matters, all of whom comprise the Authority, as established by N.J.S.A. 34:1B-49.

Section 6.3. Basic Premise. The Authority, as an agency of the State government, has a basic purpose to serve the public interest. All employees and members must therefore conduct themselves in the course of their employment and office in such manner as to hold the respect, trust and confidence of the public. They must avoid any activities or associations which are, or might justifiably appear to be, in violation of the public interest.

Section 6.4. General Provisions - Restrictions on Outside Activity.

(a) No employee or member shall have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his or her duties in the public interest.

(b) No employee or member shall make, directly or indirectly, or advise or otherwise assist any other person to make any financial investment based upon information available to such individual through his or her official position, unless such information

is generally available to the public and provided that such investment or related advice or assistance is made or given in a manner consistent with the other provisions of this code, the New Jersey Conflicts of Interest Law and any other applicable provisions of law.

(c) No employee or member shall undertake any employment or service, whether compensated or not, which might reasonably be expected to impair objectivity or independence of judgment in the exercise of official duties.

(d) No employee or member shall engage in any particular business, profession, trade, or occupation which is subject to licensing or regulation by a specific agency of State government without promptly filing notice of such activity with the Executive Commission on Ethical Standards and the Authority.

(e) Every employee or member shall be expected to answer and sign each year a "Conflicts of Interest Statement" on which such person should identify all non-Authority offices held, all professional licenses held, and all outside employment.

Section 6.5. Additional Restrictions on Individual Conduct.

(a) No employee or member shall knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of such acts that such individual may be engaged in conduct violative of his or her trust as an officer or employee.

(b) No employee or member shall use or attempt to use his or her official position to secure unwarranted privileges or advantages for self or others.

(c) No employee or member shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to members of the public which is received or acquired in the course of and by reason of official duties.

(d) No employee or member shall use Authority resources, property and funds for personal gain or benefit.

1. Authority property, including office supplies, cars, funds and other resources may only be used for Authority business and not for personal or private use.

2. Likewise, Authority employees may not utilize Authority business time, whether their own or that of other employees, for personal or private purposes.

(e) No employee or member shall act in one's official capacity in any manner wherein such individual has a direct or indirect personal financial interest that might be expected to impair objectivity or independence of judgment.

(f) No member or employee of the Authority shall be interested, either directly or indirectly, within the meaning of N.J.S.A. 34:1B-59, in any project, transaction or business activity in which the Authority is a party.

(g) In addition to the requirements and standards of this Code of Ethics, the conduct of employees and members shall be governed by the New Jersey Conflicts of Interest Law, NJSA52:13D-12 et seq. and the regulations of the Executive Commission on Ethical Standards adopted thereunder, NJAC 19:61-1.1 et seq.

Section 6.6. Disclosure and Avoidance of Certain Conflicts of Interest.

In the event a member or employee shall be interested, either directly or indirectly, in any project, transaction or business activity in which the Authority is a party, the member or employee shall, as soon as he or she knows of such interest, in addition to taking any other action required by law:

1. Fully disclose any such ownership or business dealings in writing to the Board; and
2. Fully divest himself or herself of the interest.

Section 6.7. Acceptance of Compensation and Gifts.

(a) No employee or member shall accept from any person, whether directly or indirectly and whether by self or through one's spouse or any family member or through any partner or associate, any gift, favor, service, employment or offer of any other thing of value which he or she knows or has reason to believe or under circumstances from which it might be reasonably inferred is offered to with intent to influence him or her in the performance of public duties and responsibilities.

(b) No employee or member shall solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift or other thing of value from any other source other than the State of New Jersey or Authority, for any service, advice, assistance or other matter related to his or her official duties, except reasonable fees for speeches or published works on matters within one's official duties and except, in connection therewith, reimbursement of actual expenditures for travel and reasonable subsistence for which no payment or reimbursement of actual expenditures for travel and reasonable subsistence is made by the State of New Jersey or the Authority. This section shall not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office.

(c) Each and every offer and/or receipt of any gift, etc., must be reported to the Authority, who will review the circumstances of the offer and determine the proper course of action.

Section 6.8. Post-employment Restrictions.

No employee or member, subsequent to the termination of office or employment with the Authority, shall represent, appear for or negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, whether by self or through any partnership, firm or corporation in which he or she has an interest or through any partner, officer or employee thereof, any person or party other than the Authority in connection with any cause, proceeding, application or other matter with respect to which such employee or member shall have made any investigation, rendered any ruling, given any opinion, or been otherwise substantially and directly involved at any time during the course of his or her public duties.

Section 6.9. Enforcement.

This Code of Ethics is adopted by the Authority pursuant to and subject to the provisions of the New Jersey Conflicts of Interest Law (c. 182, P.L. 1971, as amended by c. 359, P.L. 1971, and N.J.S.A. 52:13D-12 et seq.). Any violation of this Code of Ethics shall be cause for removal, suspension, demotion, or other disciplinary action, including any penalty which may be imposed by the applicable law subject to the review and approval of the Executive Commission on Ethical Standards.

ARTICLE VII

AMENDMENTS AND SUSPENSION OF BY-LAWS

Section 7.1. Amendments. The Bylaws may be altered, amended or repealed at any meeting of the Authority by the affirmative vote of a majority of the quorum, provided that notice of the proposed action is given to the Directors at least seventy-two hours in advance of the meeting at which the motion to adopt such resolution is to be made.

Section 7.2. Suspension. Any and all provisions of these Bylaws may be suspended by unanimous consent of the voting Directors present at any duly constituted meeting of the Authority.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. The Authority shall indemnify any past, present or future Director, officer or employee of the Authority against claims arising from an act or omission of such past, present or future Director, officer or employee within the scope of such individual's duties. Such indemnification shall include reasonable costs and expenses incurred in defending such claims. Nothing contained herein shall require the Authority to pay punitive damages or exemplary damages or damages arising from the commission of a crime by such individual, and the Authority shall not be required to provide for the defense or indemnification of such individual when the act or omission which caused the injury was the result of actual fraud, actual malice, gross negligence or willful misconduct of such individual, or in the event of a claim against such individual by the State of New Jersey or the Authority. The determination as to whether an individual's conduct falls within any of the above exceptions shall be made by the Authority, in consultation with the Attorney General.

Section 8.2. A present, past or future Director, officer or employee of the Authority shall not be entitled to a defense or indemnification from the Authority unless:

- (a) Within ten calendar days of the time he or b
is served with the summons, complaint,
process, notice or pleading, he or she delivers the original or exact copy to the Authority together with a request that the Authority provide for his or her defense;
- (b) He or she cooperates in the preparation and presentation of the defense with the attorney selected to defend the case; and
- (c) Except in those instances where a conflict of interest exists, as determined by the Attorney General
or an attorney selected by the Authority to handle such matters, the past,
present or future Director, officer or employee shall agree that the
Authority and its counsel shall have exclusive control over the
handling of the litigation.

Section 8.3. The foregoing right of indemnification shall not be exclusive of any other rights to which any Director, officer or employee may be entitled as a matter of law or

which may be lawfully granted to him or her, and shall be in addition to and not in restriction or limitation of any other privilege or power which the Authority may lawfully exercise with respect to the indemnification or reimbursement of each individual; except that in no event shall such individual receive compensation in excess of the full amount of a claim and reasonable costs and expenses incurred in defending such claim.

Section 8.4. Expenses incurred by any Director, officer or employee in defending an action, suit or proceeding may be paid by the Authority in advance of final determination of such action, suit or proceeding as authorized by the Authority in a specific case upon receipt of an undertaking by or on behalf of such individual to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification provision.

CERTIFICATION

The foregoing is a true copy of the Bylaws adopted by the New Jersey Development Authority at a meeting of the Authority held on _____, 2002.

_____, Chairperson
New Jersey Development Authority
for Small Businesses, Minorities
And Women's Enterprises

ATTEST:

_____, Secretary
New Jersey Development
Authority, for Small Businesses,
Minorities' and Women's Enterprises